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### STATEMENT OF

## GARETT KAMEMOTO, INTERIM EXECUTIVE DIRECTOR HAWAII COMMUNITY DEVELOPMENT AUTHORITY

## BEFORE THE SENATE COMMITTEE ON JUDICIARY

Tuesday, February 27, 2018 9:30 a.m. State Capitol, Conference Room 016

in consideration, of

## SB 2953, SD1 RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chair Taniguchi, Vice Chair Rhoads, and Members of the Committee.

The Hawaii Community Development Authority (HCDA) supports SB 2953, SD1.

This bill requires owners of private streets, highways, or thoroughfares in an HCDA development district to conform and maintain private roads to county standards. And makes owners who exercise ownership rights for financial gain or profit responsible for the costs of conforming and maintaining the private roads.

We note that there are a number of private land owners in the Kakaako district and have attached a map of street owners.

Thank you for the opportunity to provide comments on this bill.

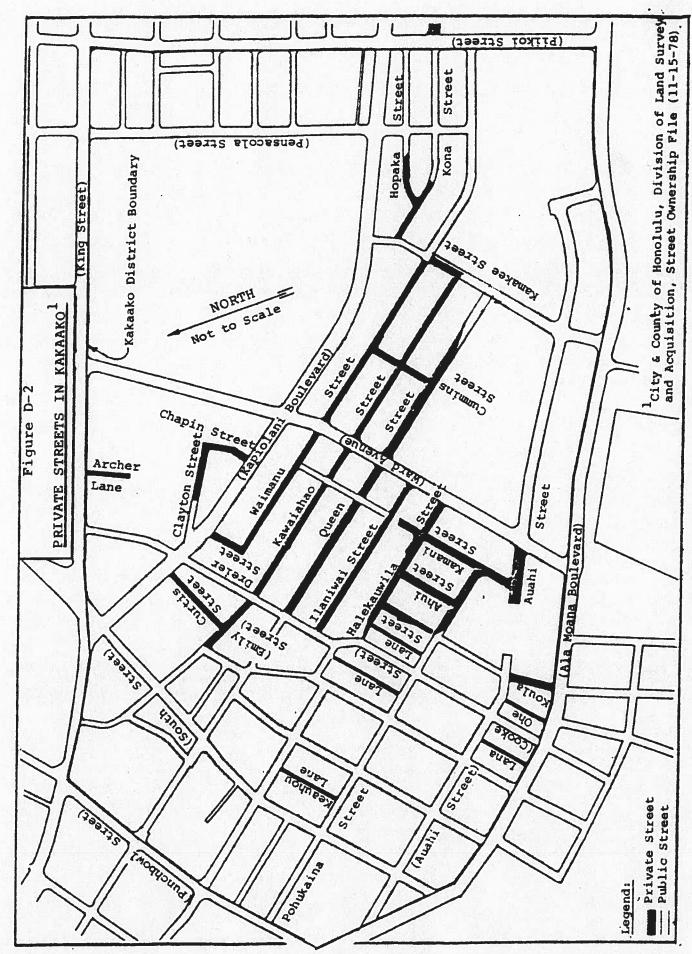


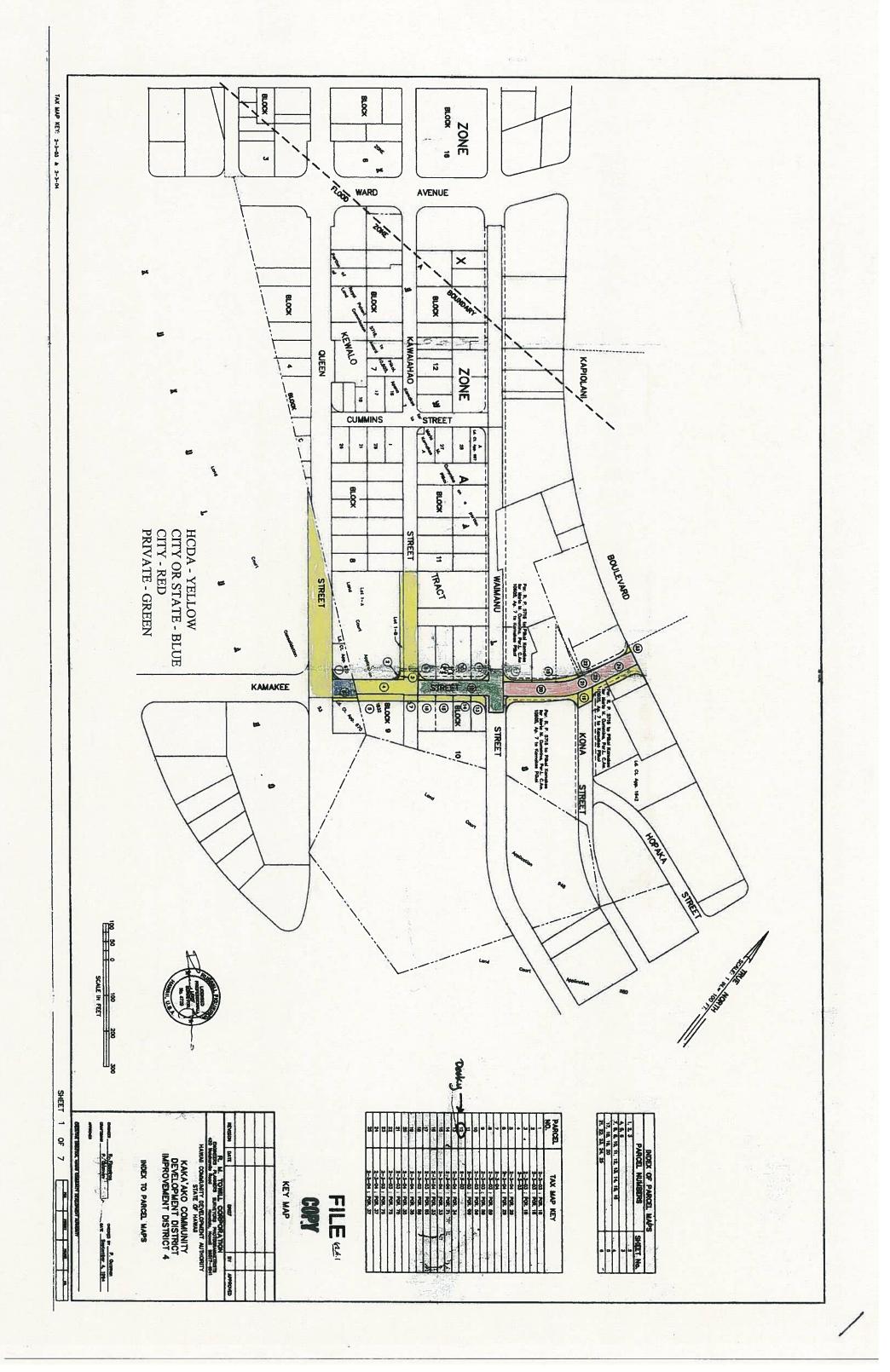
Table D-3
PRIVATE STREETS IN KAKAAKO

Street	Limits	Owner
Ahui Archer Lane Auahi	Pohukaina to Halekauwila King (makai) Ewa of Kamani to Ward Avenue	Victoria Ward, Ltd. Various Victoria Ward, Ltd.
Chapin Clayton	Kapiolani Boulevard to Clayton Kapiolani Boulevard to Chapin	Various <sup>2</sup> Various <sup>2</sup>
Cummins Curtis	Queen to Waimanu Kawaiahao to Kapiolani Boulevard	Desky <sup>3</sup> Unknown
Dreier	Waimanu to Kapiolani Boulevard	Unknown
Halekauwila Hopaka	Cooke to Ward Avenue Kona to Ewa of Pensacola	Victoria Ward, Ltd. Hawaiian Dredging Company, Ltd.
Ilaniwai	Cooke to Ward Avenue	Unknown
Kamakee Kamani Kawaiahao Keauhou Kona Koula	Queen to Waimanu Auahi to Ilaniwai Emily to Kamakee Pohukaina to Halekauwila Kamakee to Waikiki of Hopaka Ala Moana Boulevard to Auahi Pohukaina to Halekauwila	Desky <sup>3</sup> and E. E. Black, Ltd. Victoria Ward, Ltd. Desky <sup>3</sup> B. P. Bishop Estate Hawaiian Dredging Company, Ltd. Unknown Victoria Ward, Ltd.
Lana Lane Lana Lane Ohe Lane Ohe Lane	Ala Moana Boulevard to Auahi Pohukaina to Halekauwila Ala Moana Boulevard to Auahi Pohukaina to Halekauwila	Unknown B. P. Bishop Estate Unknown Unknown
Pohukaina Queen Waimanu	Koula to Kamani Cooke to Waikiki of Kamakee Dreier to Kamakee	Victoria Ward, Ltd. Unknown Unknown
	NY 67-67 CA VETIENCE	Olixhown

Owners of record: Bernice Jaeger Wolters, Paloma Jaeger Kuhn, Samuel Clesson A. Jaeger, James Emile Jaeger, and Joanne Z. Wolters.

<sup>&</sup>lt;sup>2</sup>Owners of record include Honolulu Construction and Draying Company, Ltd. and owners of TMK 2-1-44, Parcels 6, 7, 10, 21, 22, 23, 24, 25, 27, 29, 30.

<sup>&</sup>lt;sup>3</sup>Heirs of Charles S. Desky, Trustee, Deceased.





# TESTIMONY TO THE COMMITTEE ON JUDICIARY Tuesday, February 27, 2018 9:30 a.m. State Capitol, Conference Room 016

TO: The Honorable Brian T. Taniguchi, Chair The Honorable Karl Rhoads, Vice Chair Members of the Judiciary Committee

### **TESTIMONY IN SUPPORT WITH AMENDMENTS TO SB2953 SD1 RELATING TO HCDA**

I am Stafford Kiguchi with Bank of Hawaii testifying in support of SB2953 SD1 with amendments relating to the Hawaii Community Development Authority. This bill would require certain private streets, highways, or thoroughfares in a commercial development district of the HCDA to conform to county construction and maintenance standards. Additionally, it would require owners who exercise ownership rights for financial gain or profit responsible for the costs of conforming and maintaining the private roads as well as authorize a private right of action to enforce compliance.

Bank of Hawaii is on title to a number of roads, although none specifically within the Kakaako Redevelopment District. However, HCDA's jurisdiction can extend to other areas beyond Kakaako. The Bank of Hawaii referenced roads were acquired when it purchased Hawaiian Trust and Bishop Trust companies in the 1980s. Decades ago, when the homes adjacent to these roads were developed and deeded to the homeowners by the trust companies as agent for the developers, these roads, by right, should have been dedicated to the city. However, for unknown reasons, that transfer never occurred and legal title appears to have remained in the trust companies and subsequently with Bank of Hawaii as successor in interest.

Over the decades, the bank has never attempted to exercise any rights of ownership and these roads have remained open to the public with unrestricted access for cars, buses, refuse trucks, and emergency vehicles, etc. We recognize the fact that ongoing maintenance along certain privately owned roads or roads where there is a dispute of ownership is a longstanding issue.

The amendment incorporated into SD1 addresses situations whereby the owner(s) is passive and where the roads are open for public benefit with no restrictions regarding public use. We would like to propose one further amendment as outlined on the following two pages of this testimony to help avoid redundancy and add clarity. We would also note that such language is currently incorporated into the House companion bill HB2275 HD2.

Thank you for your consideration of these recommendations and the opportunity to testify.

Stafford Kiguchi
Executive Vice President, Bank of Hawaii
808-694-8580

## A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- SECTION 1. Chapter 206E, Hawaii Revised Statutes, is

  amended by adding a new section to part I to be appropriately

  designated and to read as follows:

  "\$206E- Roads; county standards. (a) Every portion of

  a private street, highway, or thoroughfore that has been used
- 5 a private street, highway, or thoroughfare that has been used
  6 continuously by the general public for a period of not less than
- 7 six months and is located within a commercial development
- 8 district shall conform to construction and maintenance standards
- 9 established for county highways, pursuant to section 46-
- 10 1-5(19)(A) and section 265A 1, by the county in which the
- 11 development district is located. Any owner or owners who
- 12 exercise the ownership rights for financial gain or profit, of a
- 13 portion of a private street, highway, or thoroughfare that is
- 14 located within a commercial development district and used
- 15 continuously by the general public for a period of not less than
- 16 six months, shall be responsible for the costs of conforming and

## H.B. NO. 42275

- such
  maintaining the private street, highway, or thoroughfare to meet
- 2 the construction and maintenance standards by that county.
- 3 (b) Any person may bring a civil action in circuit court
- 4 for injunctive relief against the owner in order to require the
- 5 owner to comply with the requirements of subsection (a). If the
- 6 decree is for the person who brings the action, the person shall
- 7 be awarded reasonable attorney's fees together with the costs of
- 8 suit."
- 9 SECTION 2. New statutory material is underscored.
- 10 SECTION 3. This Act shall take effect on July 1, 2050 and
- 11 shall be repealed on June 30, 2023.

### INSERT #1:

established for county highways, pursuant to section 46-1.5 (19)(A) and section 265A-1 by the county in which the development district is located.

## Kaka'ako Ūnited

To: Chair Brian Taniguchi, Vice Chair Karl Rhoads, and Members, Committee on Judiciary

From: Sharon Moriwaki

Subject: Testimony in strong support of SB 2953, SD1, Relating to the Hawaii Community

Development Authority, before the Committee on Judiciary, Tuesday February 27, 2018,

9:30 a.m., in Conference Room 016

I am Sharon Moriwaki, Kaka'ako resident. I am a volunteer and president of Kaka'ako United, a voluntary community group working together to ensure a quality Kaka'ako community from Mauka to Makai.

SB2953,SD1, relating to the Hawaii Community Development Authority, adds a new section to Chapter 206E, HRS, to clarify that owners of private streets, highways or thoroughfares within a commercial development district under the HCDA jurisdiction are responsible for meeting the county's construction and maintenance standards.

The Kaka'ako Community Development District has over 20 private streets, most within commercial districts, others are abutting and impacting residents living in the community development district. These streets have not been maintained to the city's standards. They are in disrepair, with large potholes that make them unsafe to vehicles and pedestrians who continuously use them. These streets are also an eyesore.

SB2953, SD1, rightfully places responsibility for these streets on the owners who should pay for properly maintaining and cleaning these unsightly and dangerous streets that have plagued their users --residents, businesses and visitors. It also explicitly requires owners who are charging those who park on the streets, making financial gains and profits, to improve these streets to the county's standards; and, failing to do so, they should be subject to civil action so they do comply.

We support these provisions. We also request that you amend the bill to help residents as well as businesses by deleting the restrictive application of the bill to only "commercial" development. Specifically, in Section 1, line 7 amend the bill to read as follows: "...and is located within [a commercial development] the district..."

We, the public --residents, businesses and visitors to the district-- are all users of these streets. We should have usable and safe streets to travel within the district. Anyone claiming to own these "private streets" who extracts gain from use of the streets should maintain to the standard that would exist when owned by the county.

Based on the foregoing, we urge your support of SB2953, SD1, as amended, to help Kaka'ako residents and businesses to improve the quality and safety of our neighborhoods by requiring private street owners to maintain them properly. Thank you for the opportunity to testify.

KŪ: Kaka'ako Ūnited

PO Box 235965 • Honolulu, Hawaii 96823

 $\underline{www.kakaakounited.org} \bullet \underline{info@kakaakounited.org}$ 





February 23, 2018

Senator Brian T. Taniguchi, Chair Senator Karl Rhoads, Vice Chair Senate Committee on Judiciary

Comments, Concerns, and Proposed Amendment to SB 2953, SD1, Relating to the Hawaii Community Development Authority (Requires certain private streets, highways, or thoroughfares in a commercial development district of the HCDA to conform to county construction and maintenance standards. Requires owners who exercise ownership rights for financial gain or profit of private streets, highways, or thoroughfares in a commercial development district to be responsible for the costs of conforming and maintaining the private roads to county standards. Authorizes private civil injunctive actions in the circuit courts to enforce compliance. Repeal on 6/30/2023.)

Tuesday, February 27, 2018, 9:30 a.m., in Conference Room 016

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide **comments**, **concerns and proposed amendments** to this this measure.

**SB 2953, HD1.** This bill requires certain private streets, highways, or thoroughfares in a commercial development district of the Hawaii Community Development Authority (HCDA) to conform to county construction and maintenance standards; requires owners who exercise ownership rights for financial gain or profit of private streets, highways, or thoroughfares in a commercial development district to be responsible for the costs of conforming and maintaining the private roads to county standards; and authorizes private civil injunctive actions in the circuit courts to enforce compliance. The measure also provides for repeal on 6/30/2023.

<u>LURF's Position</u>. LURF members include a number of land owners and homebuilders in the HCDA district which could be affected by this measure.

Within HCDA's Kaka'ako development district there are a number of small roads, lanes and driveways that are either located <u>within</u> a development block under HCDA master plan permits, or <u>between and connect</u> development blocks under HCDA master plan permits. These small roads, lanes and driveways, which are integral parts of existing HCDA master plan permits, do not meet the county's current standards for streets and roads, and may arguably fall under the Bill's current requirements, because the landowners have not historically restricted members of the general public from using these lanes and driveways.

LURF understands that it would be virtually impossible to widen these roads, lanes and driveways to County standards without demolishing portions of existing buildings on neighboring parcels that are leased out to numerous businesses, would interrupt or force the closure of many businesses along and near these small roads, lanes and driveways and force landowners to incur substantial costs, when future redevelopment is planned for these areas under HCDA master plan permits.

Since these small roads, lanes and driveways are located within large development blocks that are slated for redevelopment under HCDA master plans, it seems unfair and wasteful to require a landowner to demolish buildings, displace tenants, and install significant infrastructure in these lanes and driveways just before the development block is redeveloped under the HCDA Master Plan.

<u>Proposed Revision to SB 2953, SD1</u>: In light of the above, a prudent solution would be to exempt such areas that are within, or between development blocks under approved HCDA mast plan permits, and LURF respectfully proposes the following amendments for the consideration of your Committees:

This section shall not apply to:

- Private streets, highways, or thoroughfares located within a development block under a HCDA master plan permit, and
- Private streets, highways, or thoroughfares located between development blocks under a HCDA master plan permit.

Understanding the importance of these issues, LURF respectfully requests that SB 2953, SD1 be amended as provided above.

Thank you for the opportunity to provide comments, concerns and amendments relating to this proposed measure.

### SB-2953-SD-1

Submitted on: 2/26/2018 9:32:04 AM

Testimony for JDC on 2/27/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
George Outlaw	Individual	Support	No

Comments:

Aloha,

I support the principle of individual owners being responsible for proper upkeep of their property.

THe privately owned streets in Kaka'ako are a mess, pot holes, trash, no sidewaalks and in a general state of disrepair. The owners should be as responsible to the users as the County and City are for the streets in the governments control. Individuals pay fees to the owners out of business necessity, and they are getting shortchanged. It is actually a small sort of extortion, as no parking no business. Sidewalks it appears were never a requirement although County Authority 265-A is the governing document for county and city streets and roads, theese owners are seemingly exempted fromtheiese reuirements, and what about liability? I think the owners of these streets should be as responsible landlords and carry insurance against liability as do other businesses?

Prfibvate is fine as long as the public is getting a fair bargin in the process--which is definitely not the case with these streets.

Why have the legislation expire in 2030? I assume the streets will continue to be used far past then. Either have the city or county assume and sonsolidate street ownership and responsibility or have the owners meet at least the standards required by city /state requirements and hold them to it.

Mahalo,

### George Outlaw

### SB-2953-SD-1

Submitted on: 2/26/2018 12:20:09 AM

Testimony for JDC on 2/27/2018 9:30:00 AM

Submitted By		Organization	Testifier Position	Present at Hearing	
	Clara K Morikawa	Individual	Support	No	

### Comments:

As a resident having to use these private streets daily, I wholeheartedly support SB2953. The people who claim to own these streets have financially profited for over 3 years. In all this time, they have not maintained nor made any improvements to these streets, which are full of potholes that become larger and their numbers keep increasing with each major rainfall.

Because this is a profit making enerprise, they must be made to conform to the county's standards and their non-conformance must be subect to civil court action. Thank you for allowing me to testify.

Respectfully submitted,

Clara K Morikawa

## SB-2953-SD-1

Submitted on: 2/24/2018 12:40:39 PM

Testimony for JDC on 2/27/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
lynne matusow	Individual	Support	No

### Comments:

I am a resdient of Downtown Honolulu who frequetns the messy, private streets in kakaako, the streets where private land owners charge drivers exhorbitant fees to park on THEIR streets. This must stop now and this bill is an excellent place to start. These streets are often deteriorated, full of more potholes that elsewhere on the island. Abuses must stop.



#### Testimony by:

JADE T. BUTAY INTERIM DIRECTOR

Deputy Directors ROY CATALANI ROSS M. HIGASHI EDWIN H. SNIFFEN DARRELL T. YOUNG

IN REPLY REFER TO:

## STATE OF HAWAII DEPARTMENT OF TRANSPORTATION

869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

February 27, 2018 9:30 a.m. State Capitol, Room 016

## S.B. 2953, S.D. 1 RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

Senate Committee on Judiciary

The Department of Transportation (DOT), **supports** this bill to resolve maintenance issues for privately owned roads in development districts under Chapter 206E, HRS. We would also like to point out for clarification purposes that the DOT does own public State Roads that pass through or are within HCDA development districts such as Ala Moana Boulevard in Kakaako and a few roads in Kalaeloa. All State roads in the area are on a maintenance cycle, and are maintained to State standards. Thank you for the opportunity to provide testimony.

Thank you for the opportunity to provide testimony.